

SERIAL 10036 IGA CLINICAL LABORATORY REAGENTS AND TEST (HEMOCUE)

DATE OF LAST REVISION: March 30, 2010

CONTRACT END DATE: September 30, 2011

**CONTRACT PERIOD BEGINNING OCTOBER 01, 2008
ENDING SEPTEMBER 30, 2011**

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for CLINICAL LABORATORY REAGENTS AND TEST (HEMOCUE)

Attached to this letter is a listing of vendors available to Maricopa County Agencies utilizing the Maricopa Integrated Health System Contract LF-044A.. The using agency and other interested parties may access and electronic version of this contract from the Materials Management Web site at:

http://www.maricopa.gov/materials/Awarded_Contracts/search.asp.

Please note: Price Agreement Purchase Orders (PG documents) may be generated using the information from this list. Use NIGP CODE 1930801, 1931201

All purchases of product(s) listed on the attached pages of this letter are to be obtained from the listed contractor(s).

Contract Launch Package

Description: Laboratory Distribution Services

- Product & Pricing

Contract: LF-004A (Price Agreement)

Vendor: FISHER HEALTHCARE INC

Effective/Expiration Date 10/1/2008 - 9/30/2011

Discipline Laboratory

Contract Source Type Sole Source

Agreement Type Exclusive

Eligibility - Classes of Trade All

Value Statement

On June 17, 2008, Broadlane's Executive Steering Committee elected to award a sole source contract for Laboratory Distribution Services to the incumbent Distributor, Fisher Healthcare. The majority of Broadlane Customers will not be required to convert to another provider of Laboratory Distribution Services. Some of the strategic considerations surrounding the category were:

- Positive market dynamics - several viable distributors
- Broadlane's customer base presented tremendous value to all distributors from a revenue uplift or retention perspective
- Risks associated with the category due to general industry reports of increased raw materials and transportation costs were considered
- Exclusive relationships with the incumbent for Biosite point of care cardiac markers (BNP) and Drugs of Abuse Detection
- Potential shifts in service levels and delivery schedules

Value Points:

- Flat Cost Plus structure on DMA volume is firm at 5.75%; previous blended rate was 6.15% representing an improvement of 40 basis points
- Ability to mitigate price roll impact and to contract for non DMA (non-contract) categories that represent 44% of the volume; no impact in year one
- Conversion rebates are not dependent on Broadlane Customer volume and are based on actual converting Customer purchases @ 5% per quarter

- DSO remedy to move Customers to the non-committed tier has been eliminated (previously a 6% increase)
- Distributor is bound to provide EDI or comparable services to Customers and Broadlane
- DSO reports are required or Distributor can not charge any late fee
- Facility level notification of any back-order via email
- Customer audit rights are provided in the agreement
- No auto-substitution without lab approval or the product is provided at no charge
- No new LOC is required for Customers that currently purchase from LF-001

Contract Highlights

Contract Source Type	Sole Source
Agreement Type	Exclusive
Key End Users	Director of Lab
Replaced Contract(s)	FISHER HEALTHCARE INC - LF-001A
Eligibility - Classes of Trade	All
Guaranteed Supply	<p>Duty to Sell; Provide Products</p> <p>Distributor must offer to sell the Products to any Broadlane Customer electing to purchase Products under this Agreement. Distributor must make each Product available to any Customer for direct purchase.</p> <p>Failure to Supply</p> <p>If Distributor fails to perform its obligations and is unable to provide documentation that, in Broadlane's reasonable discretion, proves that Distributor is not at fault under:</p> <ul style="list-style-type: none"> (a) regarding Distributor's duty to make Products available, (b) regarding the sale of any Product, (c) regarding any Missed Delivery, (d) regarding fill rate requirements, (e) regarding the Customer's quality standards for Products,

(f) regarding microbiology and other media Products, or

(g) regarding Back-Ordered Products,

Then Distributor must assist Customer in finding, at Customer's sole discretion, equivalent alternative products not to exceed the price of the originally ordered but undelivered Products, in a time frame acceptable to Customer.

Alternative Products Not Accepted

If Distributor is unable to find an equivalent alternative product, at Customer's sole discretion, Customer may purchase a Competing Product and Distributor must remit to Customer the difference between the purchase price of the Product under this Agreement and Customer's purchase price of the Competing Product;

(a) in an amount not to exceed 150% of the price of the Product; and

(b) for a period not to exceed 60 days after the Product initially becomes unavailable.

For example, if the purchase price of the Product unavailable under this Agreement is \$100, and Customer pays \$200 for the replacement Product, then Distributor would credit the Customer \$50, which represents the difference between the price of the unavailable Product and the replacement Product not exceeding 150% of the unavailable Product price. Distributor must make this payment in the form of a credit to Customer's account within 30 days after receiving documentation of the amount from Customer. If after 60 days, Distributor is unable to provide the original Product, then Broadlane may contract with another source for the same Product.

Distributor must give Broadlane and each Customer reasonable notice if a Product becomes unavailable to all of Distributor's customers because of an industry-wide shortage. Any notice of an industry-wide shortage must include documentation that in Broadlane's reasonable discretion proves the industry-wide shortage.

Business Continuity/Disaster Plan

As a supplier to the health care industry, Distributor realizes the importance of health care delivery during disasters. Distributor must have a written business continuity/disaster recovery plan, for which Distributor must maintain and test all critical components on a regular basis. If Distributor is unable to supply Products to an affected Customer then (a) the affected Customer may procure Competing Products without penalty until the Distributor is able to supply the Product, and (b) Distributor must remit to the affected Customer the difference between the purchase price of the Product and the purchase price of the Competing Product (as reasonably documented to Distributor). The previous sentence applies for a period of six months or until the Distributor is able to provide the Product, whichever is

shorter.

If Distributor fails to restore its performance of its obligations under this Agreement within six months after an event requiring it to implement the business continuity/disaster recovery plan, then at Broadlane's sole discretion: (a) Broadlane is excused from the obligations; or (b) Broadlane may immediately terminate this Agreement as it relates to the affected Customers.

New Products

If Distributor begins to sell a similar product or service not listed, then Distributor must notify Broadlane within 60 days after governmental approval or Distributor's release of the product. At Broadlane's discretion, Broadlane and Distributor may amend to add the new Product at a mutually agreed-upon price.

Discontinuing Products

Distributor may discontinue any Non-Contracted Product. If Distributor discontinues a Non-Contracted Product then Distributor must attempt to replace the discontinued Non-Contracted Product with a functionally equivalent product or service at a price equal to or less than the discontinued Product. Distributor must provide 60 days written notice to Broadlane and Customer for any discontinued Product.

If Distributor fails to replace a discontinued Product as required, then Broadlane may contract with other sources to ensure Product availability to Customers. Distributor may only discontinue Products for legitimate business reasons and not for the purpose of introducing or substituting similar products or services at a higher price. If a Distributor discontinues any Product and fails to provide a substitute of comparable functionality at a price not higher than the discontinued Product, then the commitment requirements set forth in this Agreement (if any) do not apply to a Customer's purchase of a Competing Product.

New Technology

General

If New Technology becomes available from any source, then at the request of Distributor, Broadlane (to the extent possible) will evaluate the benefit of the New Technology for Broadlane Customers. If the New Technology is beneficial in Broadlane's discretion, then Broadlane will introduce the New Technology to Broadlane Customers.

New Technology Distribution Rights

Broadlane will use commercially reasonable efforts to assist Distributor in obtaining distribution rights for New Technology under Broadlane contracts. If Distributor obtains distribution rights, The Price List may be amended to add New Technology

at a mutually agreed-upon price. If within 60 days, Distributor does not obtain distribution rights for the New Technology or Distributor and Broadlane cannot agree upon Distributor's price, then Broadlane may contract with other sources.

Product Substitution

Distributor must not substitute a different product or service for a Product ordered by any Customer without prior written consent of the appropriate Laboratory Director at the Customer's applicable facility. Customer may, at its option, elect to auto-substitute certain Products, with prior written approval of the appropriate Customer representative and in accordance with Distributor's standardization program.

Back-Ordered Products

Customer Notice

Upon receipt of any Customer's order for a Back-Ordered Product, Distributor must notify the Customer that the Product is Back-Ordered. Distributor must provide the notice in the EDI transaction set 855 and 856, and Distributor must send the notice to Broadlane and Customer either by hard copy or via email to the email address on file with Distributor. Distributor will provide Customer's Laboratory Director with back order information in real time at www.fisher.com.

Orders for Back-Ordered Products

Upon receipt of a back-order notice, Customer may immediately cancel the Back-Ordered Product and purchase the Product from another source. Nothing in this section relieves the Distributor from any obligation relating to any Back-Ordered Products. If Customer does not cancel the order for the Back-Ordered Product, then Distributor must attempt to fill that order through alternate sources, unless Customer agrees to pay additional fees (e.g., price differential, freight charges, etc.), associated with any substitute product. The Distributor must fulfill its obligations according to the following schedule: (a) If Distributor receives the order before 12:00 P.M., then Distributor must place Back-Orders the same day; and (b) If Distributor receives the order after 12:00 P.M., then Distributor must place back orders no later than the next business day.

Special Order Products

Distributor must use commercially reasonable efforts to fill orders for a Special Order Product (a) within 14 days after any Customer's request, or (b) as otherwise mutually agreed to by the Customer and Distributor. Distributor must not pass any additional charges to any Customer for any Special Order Product, unless mutually agreed to by Distributor and Customer. A Customer must purchase, or guarantee the payment for a third party to purchase, any Special Order Product that can only be sold to that Customer.

Requests to Bring Products into Stock

Distributor must evaluate any Customer's written request to bring any Product into stock based on the Customer's estimated usage. If the Customer's estimated usage meets or exceeds the Minimum Movement Requirement, then Distributor must bring the required Product into stock, unless Distributor is unable to stock the Product due to: (a) regulatory issues; or (b) the Product only being available through direct purchase from the manufacturer.

Removing Products from Stock

Distributor must not remove any Product from stock if it meets the Minimum Movement Requirement unless Distributor is unable to stock the Product due to: (a) regulatory issues; (b) the Product only being available through direct purchase from the manufacturer; or (c) a Product is discontinued by a Supplier. If any Product does not meet the Minimum Movement Requirement and Distributor intends to remove the Product from stock, then, Distributor must provide 30 days' prior written notice to each affected Customer and Broadlane before removing the Product from stock. If the Customer's response indicates that (a) no need exists for the Product; or (b) usage will not meet the Minimum Movement Requirement for the Product, then Distributor may remove the Product from stock.

Tier Structure

Tier 1 - Access Tier

Tier 2 - Committed Tier

Commitment Requirements

Committed Level

All Customers must receive the Committed Tier pricing. To remain at Committed Tier pricing, a Customer must purchase 90% of its requirements for Laboratory Distribution Products from Distributor.

Customer Groups

If a Customer Group executes an LOP on behalf of its constituent Customers (as listed on its LOP), then (a) each of the constituent Customers does not have to execute a separate LOP to participate at the Committed Level pricing; but (b) the Customer Group may aggregate the purchases of the constituent Customers for purposes of complying with its Commitment Level.

Compliance with Committed Level Requirements

A Customer's compliance with the Committed Level is based on the Customer's aggregate annual purchases. Distributor and Broadlane may conduct quarterly reviews of the Customers' Committed Level compliance. If a quarterly review reveals that any Customer failed or is failing to purchase at the Committed Level, then Distributor may issue written notice of non-compliance to that Customer and to Broadlane. If the Customer does not bring its purchases to the Committed Level within 60 days of receiving notice of non-compliance from Distributor, then Distributor has no retroactive remedy and its exclusive remedy is to move the

Customer to the Access Tier pricing for future purchases. Distributor must provide 30 days' prior written notice to the Customer and Broadlane indicating that the Customer is being moved to the Access Tier. If the Customer subsequently brings its purchases to the Committed Level, then Distributor must immediately reinstate the Customer's access to the Committed Tier pricing.

Exception to Compliance

If a Customer is purchasing at the Committed Level under this Agreement and:

- (i) Distributor cannot provide a Product for any reason;
- (ii) the Customer, in its reasonable discretion, determines that any Product is not clinically satisfactory or clinically preferable;
- (iii) a Product is available to Customers for direct purchase at a lower delivered price (to Customer) from its manufacturer under a Supplier agreement that Broadlane has negotiated on behalf of its Customers; or
- (iv) a purchase is considered a Special Order Product.

Then the Customer may, without penalty, purchase Competing Products from any source. Those purchases must not apply to the Customer's Committed Level requirements.

LOP Administration

Each month, Distributor must send to Broadlane a summary (in Excel spreadsheet form) of each Customer that executed an LOP that month. Upon Broadlane's request, Distributor must send a copy of a particular Customer's LOP. Electronic or fax signatures are binding and are acceptable as signatures written on paper. Distributor must immediately execute an LOP presented to it by a Customer and allow Customer access to the Agreement, unless Distributor has a good faith dispute as to the accuracy of the LOP. If Distributor has a good faith dispute, then Distributor must work in good faith with the Customer to promptly resolve the dispute.

Price Protection Terms

Customers may purchase Products at the Access or Committed Tier pricing. All Customers initially receive the Committed Tier pricing. Distributor must not increase the prices during the Term except as shown in this section. Distributor may decrease the prices set forth upon prior written notice to Broadlane, and this notice must include a proposed amendment in electronic format. In addition to these prices, Distributor may offer bulk purchase options to the Customers that offer additional discounts based on a Customer's commitment in connection with Broadlane sponsored "group buys" or other savings opportunities, but all other terms and conditions of this Agreement apply to those bulk purchase options as if the prices were listed.

Mark-ups

Distributor must not increase these mark-ups during the Term. The Price List sets forth the prices for Contracted Products, and associated Categories. Except as provided in this Agreement, there must be no additional charges, fees, or adjustments (other than for taxes) relating to any Product, unless (a) specifically approved in writing by the applicable Customer, or (b) required to be paid by law.

Contracted Products

Except for Distributor's fees, rebates, and mark-ups as set forth in this Agreement, the purchase price of any Contracted Product must be the price for that Contracted Product agreed to between Broadlane and the applicable Supplier. Distributor must not increase the contracted price for any Contracted Product. In cases where Broadlane has negotiated Customer Net Price terms for Contracted Product pricing with Suppliers, the percentage mark-up will be 0%. As of the Effective Date, these contracts are listed on the Price List. If the terms of a Supplier agreement are Distributor Net Cost, then the mark-up associated with the applicable product Category is 5.75% for the Term of the Agreement. In the event that Broadlane enters into a Supplier agreement during the Term for similar products that, as of the Effective Date, are provided to Customers by Distributor, the mark-up associated with those products will be no greater than 5.75% and subject to the Customer Net Price and Distributor Net Cost terms. Broadlane and Distributor will negotiate in good faith the mark-ups for any new product categories where Distributor has not traditionally provided products to Customers as of the Effective Date.

Non-Contracted Products

Distributor must not increase these prices during the Term.

Price Increases

Distributor (a) must not increase the price of any Non-Contracted Product during the first 12 months of the Term, and (b) may thereafter increase the price of any Non-Contracted Product once each year on October 1; but:

(A) Distributor must provide 60 days prior written notice of the price increase to Broadlane so that Broadlane and Distributor may work together to minimize the impact of the price increase on each Customer or Customer Group. This notice must include documentation detailing the following:

- (i) documentation showing the current price of the Non-Contracted Product; and
- (ii) documentation showing the proposed specific impact of the price increase based on the Customer's purchases for that specific Non-Contracted Product during the applicable Base Year; and

(iii) documentation showing the aggregate impact of all proposed price increases for Non-Contracted Products based on the Customer's purchases of those Non-Contracted Products during the Base Year. For example, if the total quantity purchased of a specific Non-Contracted Product in the Base Year was 100 and the current price of the product is \$15, then the total sales for that Base Year are \$1,500. If the proposed price increase is \$1, then the impact would be a \$100 increase over the \$1,500 in sales; and

(B) the aggregate net impact of all proposed price increases for Non-Contracted Products must not exceed 3% of the Customers' aggregate purchases of those Non-Contracted Products during the Base Year; and

(C) if the price of any Non-Contracted Product falls below Distributor's actual cost, as determined by Distributor, Distributor may increase the pricing of those affected Non-Contracted Products to cost plus 6% after providing advance written notice to Broadlane. Distributor must provide documentation to Broadlane evidencing (in Broadlane's reasonable discretion) the price increase. Broadlane and Distributor must amend the Price List to reflect the new price. If Distributor and Broadlane cannot agree to Distributor's new price for the Product, then (a) Broadlane and Distributor must amend the contract to delete the affected Product; and (b) Broadlane may contract with other sources for the Product.

Market Price

If Broadlane reasonably determines, and provides Distributor with documentation evidencing and justifying that; (a) there occurred a material change in the market affecting a Product; and (b) that market change resulted in a market price for that Product that is lower than the price set forth; then, upon notice from Broadlane, Distributor must within 30 days after receiving notice (i) offer new pricing for that Product that is no greater than the new market price; or (ii) release any commitment and exclusivity requirements under this Agreement relating to that Product.

Other Supplier Surcharges

Except as provided in this Agreement, Distributor must not accept and pay, or pass along any Surcharge to any Customer relating to the purchase of any Product. If a Supplier requires Distributor to pay any Surcharge in connection with a Contracted Product, then Distributor must (a) notify Broadlane of the Surcharge, (b) provide Broadlane with 45 days to resolve the Surcharge with the Supplier, and (c) not charge any Customer for the Surcharge during these 45 days. If Broadlane notifies Distributor within the 45-day period that the Surcharge is not valid, then Distributor must not charge any Customer for the Surcharge. If (A) Broadlane does not notify Distributor within the 45-day period that the Surcharge is not valid, or (B) Broadlane and Distributor agree that the Surcharge is valid; then Distributor may charge a Customer the Surcharge until Broadlane provides Distributor with documentation reasonably establishing that the Surcharge is not valid. Broadlane and Distributor

agree to act jointly and in good faith to resolve in a mutually agreeable manner any Surcharge issues with the applicable Supplier.

Cross-Reference Analysis Guarantee

Distributor agrees to provide a reasonable amount of Product samples for evaluation to Customers at no additional charge. All Products must meet the incumbent product specifications set forth in the cross-reference analysis submitted by Distributor, as modified during the bid process. Distributor must not substitute Products of lesser quality. If a Customer determines, in its sole discretion, that a Product supplied under this Agreement does not meet the specifications (excluding slight variances in color or pattern that do not affect Product functionality or quality) of the incumbent product and catalog number set forth in the cross-reference analysis, then Distributor must provide a Product that meets the specifications in the cross-reference analysis at the same price of the Product indicated in the original cross-reference. Broadlane and the Customer must agree to the replacement Product's specifications. If Distributor is unable to supply a satisfactory substitute product, at the Customer's sole discretion, at the price set forth in Exhibit B for the Product, then Broadlane may remove the Product from the Agreement and contract with another source for the Product.

Competitive Pricing

The prices, terms, and conditions under this Agreement must be equal to or better than those offered to any other customer of Distributor (excluding the federal government) (a) that purchases a similar mix of products and services from Distributor, and (b) with a similar mix of characteristics and cost drivers (including delivery terms, levels of compliance, exclusivity, administrative fees, etc.). To the extent that Distributor is not in compliance, Distributor must refund to each Customer the difference between the price that the Customer paid to Distributor and the lower, competitive price in violation. Within 30 days of determining that Distributor is not in compliance, Broadlane and Distributor must amend this Agreement to provide the more favorable prices, terms, and conditions.

Access

If a Customer desires a third party to purchase any Product, including an outsourced clinical engineering service provider, a leasing company financing the acquisition, etc., then Distributor must (a) sell that Product to the third party at the same price, terms and conditions as though the Customer purchased the Product directly, and (b) treat that sale as a sale to that Customer.

Additional Discounts and Rebates

Rebates

1. Payments. Distributor must pay all rebates to each Customer on a quarterly basis within 45 days of the last day of the preceding quarter in the form of a check (for Customer Groups) or credit to the Customer's account, at the sole discretion of the Customer.

2. Types of Rebate

(a) Early Payment Rebate. Customers who maintain an average DSO of 15 days or less (according to Distributor's accounts receivable) for a calendar quarter will earn an early payment rebate of 0.5% of Net Sales during that quarter.

(b) Pre-Payment Rebate. Distributor must pay the Customer a Prepayment Rebate equal to 0.75% of the net sales generated by the Customer during that calendar quarter if the Customer maintained an average quarterly outstanding balance during that calendar quarter of zero days, as measured by Distributors internally-generated report.

(c) Conversion Rebate. To assist a Customer in converting its distribution services to Distributor, Distributor must pay to Customer a conversion rebate for a period of 12 months following the Customer's initial participation under this Agreement. To qualify for a conversion rebate, a Customer (a) must execute the LOP; (b) must not have been a Customer on or before the Effective Date; (c) must not be a Distributor Customer during the six months before the entity becomes a Customer under this Agreement; and (d) must become a Customer prior to October 1, 2010. For any Broadlane Customer that becomes a Customer under this Agreement after October 1, 2010, the conversion rebate will be pro-rated based on the number of calendar quarters remaining in the Term. The conversion rebate of 5% will be paid on quarterly incremental Net Sales compared to the same quarter in the prior year (for example Q4 2008 will be compared to Q4 2007). For purposes of clarification, If a Customer begins purchasing prior to the beginning of a calendar quarter, Distributor must pay Customer the conversion rebate on a pro-rated basis for a full 12-month period from the date of Customer's initial participation in this Agreement.

3. Reporting Requirements. The rebates described in this Section are discounts under the Discount Safe-Harbor. At minimum, Distributor must:

(a) inform each applicable Customer in a manner reasonably calculated to give notice to the Customer of its obligations to report the rebates and to provide information to enable the Customer to comply with the applicable reporting requirements;

(b) provide the Customer with documentation of the calculation of the rebates sufficient to satisfy the requirements of the Discount Safe Harbor; and

(c) refrain from doing anything that would impede the Customer from meeting its obligations under the Discount Safe Harbor.

4. Rebate Adjustments. The combined rebates that Distributor offers to any Customer must not total more than 100% of the Customer's Product purchases. If the combined rebates total more than 100% of a Customer's Product purchases, the percentage amount for the rebates must, at the Customer's option, be:

(a) adjusted so that the combined rebates are 100% or less of the Customer's

Product purchases, or

(b) paid over a longer time period.

Payment Terms

Payment Terms

A Customer must pay for an ordered Product within 30 days after the Customer's receipt of the invoice. Exhibit A sets forth early payment rebates and terms.

Late Payment Fee

Distributor may charge the respective Customer interest on any non-disputed invoices under this Agreement that are older than 30 days at the lesser rate of (a) 1.50% per month, or (b) the maximum interest rate permitted by law. Distributor must generate a separate invoice for late fees. This separate invoice must include (a) individual invoice numbers; and (b) amounts due for all non-disputed invoices.

Disputed Invoices

A Customer may dispute an invoice by (a) partially paying an invoice for any reason; or (b) by sending written notice via fax or email to Distributor's A/R representative. Distributor must not charge Late Payment Fees for any invoice disputed by a Customer.

Invoice Accuracy Failures

Not later than 90 days following the Effective Date, Distributor must ensure that all invoices furnished to Customer's are 98% accurate. If the pricing or quantity of Products ordered by a Customer (as reflected by line item entry on Distributor's invoice as designated by stock keeping unit ("SKU")) is inaccurate, then, in addition to other remedies and customer service credit requirements set forth in Exhibit E, a credit adjustment for the actual overcharge will be applied to the Customer's account not later than 30 days after the error is discovered by Distributor or reported by the Customer.

Invoice Reports

At the Customer's request, Distributor must generate an invoice report on a monthly basis detailing all outstanding invoices (including the amount of each invoice and the outstanding balance) to date for that Customer. The report must detail all invoices that are past due and disputed. Distributor must clearly state on the report that invoices 30 days past due are subject to the Late Payment Fee. Within 10 days of a Customer's request, Distributor must provide reports with the same level of invoice detail for Customer's corporate offices.

Upon notification by Customer, Distributor must revoke any Late Payment Fees charged for: (a) any invoices on a report not provided for the month the report covers; (b) any invoices that are missing from a report; or (c) any disputed invoices.

Order Placement Instructions

Any Customer may place a purchase order for any Product through BroadLink or

the Web-based Interface (if applicable), by telephone, fax, or through EOE directly through Distributor at:

Fisher HealthCare

9999 Veterans Memorial Drive

Houston, Texas 77038

www.fishersci.com

(800) 640-0640

(800) 290-0290

Timing of Orders

Distributor must notify each Customer of its Distribution Centers' hours of operation during which a Customer may place an order. Any purchased order received by a Distribution Center after 12:00 noon (local) may be processed during the next Business Day.

Emergency Orders

Distributor must accept emergency orders 24 hours per day, seven days per week, including holidays.

Electronic Ordering, Invoicing, and Receipting Requirements

At no additional cost, Distributor must provide (a) all Products (other than Custom Products or lot-controlled products) via an electronic online catalog, and (b) access to each Customer to (i) EOE, and (ii) online invoicing, receipting, and order tracking.

No Minimum Order Requirements

There are no minimum order requirements or fees for any Product order, but a Customer must place an order only in Distributor's standard sale unit of measure.

Delivery Terms

Regular Deliveries

Within two business days of receipt of an order, unless otherwise agreed to by Distributor and Customer, Distributor must deliver to each Customer all orders of Products. Regular Deliveries are made, at no additional charge, a maximum of one time a day, up to three times a week. Distributor and Customer must mutually agree upon any deliveries that exceed three deliveries per week. Distributor must provide refrigerated deliveries and laboratory location deliveries, where applicable, upon 48 hours prior notice from the Customer. Regardless of anything to the contrary, if Customer received more than three deliveries per week from Distributor or its incumbent distributor, then Distributor, must provide, at no additional cost, at

least the same number of deliveries per week to each Customer that the Customer received from its distributor prior to its participation under this Agreement unless otherwise agreed to by Distributor and Customer.

Missed Deliveries

If Distributor misses a Regular Delivery (i.e. the shipment of Products fails to arrive during receiving hours on the scheduled Regular Delivery date), the Customer may purchase products from a third party and arrange for delivery via common carrier ("Missed Deliveries"). Distributor must remit to the Customer the difference between the purchase price of the Product under this Agreement and the Customer's purchase price of the product purchased and delivered by a third party. Distributor must also refund any shipping expenses to Customer for the delivery of the purchased product by a third party. Distributor must make this payment in the form of a credit, which is in addition to any other credit assessments, due for late deliveries, within 30 days after receiving documentation of the amount.

Delivery Guarantee under Emergency Conditions

In the event of a natural disaster or industry wide shortage of Products ("Emergency Condition"), Distributor will fill orders placed by Customers for Products during the duration of the Emergency Condition in accordance with Distributor's business continuity/disaster recovery plan and in a similar fashion as for similarly situated Customers. If possible, Distributor will sequester a specific quantity of Products for the exclusive purchase by Customers for the duration of the Emergency Condition.

Delivery of Back-Ordered Products

General

Upon request of a Customer, Distributor must deliver a Back-Ordered Product to the applicable Customer no more than one day after Distributor receives the Back-Ordered Product from its supplier, even if the Customer is not scheduled for a Regular Delivery. Distributor must neither (a) charge any Customer for the delivery of a Back-Ordered Product, nor (b) count any special delivery of a Back-Ordered Product as a Regular Delivery.

Special Delivery

Distributor may charge Customer for actual costs associated with a special delivery if:

- (a) a Product is Back-Ordered due to no fault of Distributor. Distributor must provide written documentation of no fault to the reasonable satisfaction of Customer; and
- (b) the costs are listed as a separate line item on the invoice; and

(c) Distributor notified the Customer of the charge and the Customer agreed to accept the special delivery.

This section applies unless the Customer agrees, in its sole discretion, to consolidate the special delivery with its next scheduled Regular Delivery.

Shipping Details

General

Distributor must prepay and bear the costs of all shipping charges on Regular Deliveries, to Customers. Distributor must not charge Customer for Emergency Deliveries, if the Emergency Delivery (a) does not exceed the number of deliveries allowed under the Agreement or (b) if Customer, at its sole discretion, agrees that the Emergency Delivery can be consolidated with Distributor's next Regular Delivery to the Customer's facility. If the Emergency Delivery cannot be consolidated with Distributor's next Regular Delivery to the Customer, Distributor may invoice the Customer for actual shipping costs incurred from a common carrier for the Emergency Delivery. All other deliveries and deliveries requiring Special Handling will have shipping charges or other Surcharges prepaid and added to the invoice as a separate line item.

Shipping to Hawaii

Hawaii. Distributor's Expedited Plan for the shipping and handling of Products to Customers in Hawaii is attached to this Agreement as Exhibit L.

Hawaii; Hazardous Materials

Distributor's Expedited Plan for the shipping and special handling of all Products containing hazardous materials to Customers in Hawaii is attached to this Agreement as Exhibit L.

Special Handling Transport on Microbiology Media

Distributor's procedure for the shipping and special handling of microbiology media is attached to this Agreement as Exhibit M. Distributor represents and warrants that the procedures referenced in Exhibit M are Supplier approved procedures. Distributor guarantees that any delivered media product will have an expiration date at least two weeks from the date the Product was delivered to Customer. In addition, Distributor will make commercially reasonable efforts to ensure media products have an expiration date at least three weeks from the date the Product was delivered to Customer.

Other Shipping and Handling Fees

Distributor must prepay, and add as a separate line item to the invoices, other shipping and handling fees as set forth on Exhibit N. Distributor must not charge any other shipping and handling fees not listed on Exhibit N unless otherwise agreed to by Broadlane and Distributor.

Risk of Loss and Insurance on Products

The risk of loss of the Products does not pass to Customer until the Products are delivered to Customer. Distributor represents that it has adequate insurance, either through its own insurer or through its contractual relationships with Suppliers, to cover the full replacement cost of all Products sold under this Agreement until the risk of loss shifts to the Customer. Distributor is liable for and must replace all Products damaged or destroyed before the risk of loss shifts to the Customer without regard to: (a) the adequacy of insurance coverage; or (b) a breach by either party.

Training

As reasonably required and requested by a Customer, Distributor must provide each Customer with on-site support in cross-referencing and conversion during the first 180 days after the date of the Customer's first purchase. Distributor will make adjustments in staffing as reasonably request and mutually agreed to in order to satisfy the reasonable request of the Customers and Broadlane.

Environmental Information and Details

Environmental Disclosures

Distributor does not manufacture any of the Products under this Agreement. At any Customer's reasonable request, Distributor will work with the original manufacturer to obtain the required environmental information or MSDS. The Customer must contact the NAR to request the applicable environmental information or MSDS.

Warranty

Services Warranty

Distributor represents and warrants that: (a) its Representatives have the skills and qualifications necessary to perform services under this Agreement in a timely, competent, and professional manner in accordance with the highest industry standards and all applicable governmental requirements, laws, ordinances, rules, and regulations; and (b) subject to the warranty set forth in Exhibit G, Distributor is able to fulfill the technical service requirements, and all other services requirements of this Agreement.

Manufacturers' Warranties

Upon any Customer's request, Distributor must provide to Broadlane and the Customer copies of all warranties for Products that Distributor receives from its vendors and all manufacturers' warranties. Distributor assigns to Broadlane and to each Customer all vendors' and manufacturers' warranties in accordance with the provisions set forth in Exhibit G.

Warranty Applicable to Replacement and Repaired Products

The warranties provided under this section and Exhibit G apply to any replacement or modification of the Products by Distributor or any of its Representatives for the remainder of warranty term applicable to the original non-conforming Product.

Additional Information

Contracted Products

As of the Effective Date, Distributor must load the price files for all Contracted Products. Distributor must load new or revised prices for Contracted Products by the effective date of that new or revised pricing, provided that Distributor has

received 30 days notice from Supplier. In addition, Distributor must notify Broadlane promptly upon Distributor's receipt of the new or revised pricing from any Supplier; and Distributor must report to Broadlane new or revised pricing on a monthly basis. Distributor will work with Broadlane to promptly resolve any discrepancies identified by Broadlane on any applicable monthly report.

Non-Contracted Products

As of the Effective Date, Distributor must load the pricing for all Non-Contracted Products. All price files must be provided to Broadlane in the required format within 60 days prior to the Effective Date of this Agreement or 30 days prior to the effective date of any new pricing of existing Products or new Products that are added to the Agreement after the Effective Date.

Duty to Load Customer Information

As of the Effective Date, Distributor must load the applicable pricing information for each Customer. Distributor must load new or revised pricing information for any Customer within 10 days of receipt of that information from Broadlane or from the Supplier for Contracted Products.

General

To the extent consistent with Distributor's agreement with applicable suppliers (and if requested by a Customer), Distributor must stock applicable Core Products that are not drop-shipment-only deliveries.

Core List

Each Customer may work with Distributor to designate a Core List in accordance with the following procedure at any time during the Term. Each Customer must provide Distributor with documentation of the Customer's estimated purchase volume of Products to justify each Product's inclusion on the Core List. If a Customer does not provide Distributor with the documentation, then Distributor has no obligation to maintain a Core List but must, at a minimum, stock Products for that Customer according to Distributor's internal inventory management plan. Each Customer must review and update its Core List quarterly to ensure that the Core List reflects the Products most commonly ordered by the Customer. Distributor may recommend that a Product not be included on the Core List, and Customer, at its sole discretion, may accept or reject Distributor's recommendations. All Products on any Core List must comply with the Minimum Movement Requirement.

Broadlane Customer Action Steps

All Customers will receive the Committed Tier pricing. To remain at Committed Tier pricing, a Customer must purchase 90% of its requirements for Laboratory Distribution Products from the Distributor.

New Broadlane Customers must execute a Letter of Participation identifying Fisher Healthcare as prime distributor and to access the pricing under this Agreement.

HOW TO DOWNLOAD THE PRICE LIST:

Please use the process below in order to view the price list as we are still loading products into the system.

You can get the price list in two different ways:



1. Once you are logged into OnRamp® go to **Knowledge > Documents > General > Bulletins > The Bulletin - For Materials Managers > 2009**

Or

2. You can download the price list:
 - a. Log into OnRamp and locate contract LF-004A
 - b. Click on price list link in the pricing section then click "Generate"
 - c. This will bring up a partial price list in Excel. Search for "pdf" under the catalog number column (column C)
 - d. Click in the catalog description column (column D). Another window may pop up, but click "yes" to proceed and an Excel spreadsheet of the price list should open up.

**Note: the price list will not show up as a normal hyperlink. The file is large so it may take a few minutes to open up.*

Attachments

Documents	
	<u>Exhibit F - Distributor's Return Policy</u>
	<u>Exhibit G - Distributor's Product Warranty</u>
	<u>Exhibit J - Form of Incident Reports</u>
	<u>Exhibit K - Distribution Escalation and Problem Resolving</u>
	<u>Exhibit L - Distributor's Expediate Plan - Hawaii</u>
	<u>Exhibit M - Distributor's Special Handling Transport on Microbiology Media</u>

Documents


[Exhibit N - Other Handling Fees](#)

[Exhibit S - Form of Letter of Participation](#)

[Exhibit T - Customer Service](#)

[Exhibit U - Master Lease/Rental Agreement](#)

Contracting Process

This Agreement was validated and approved by the Executive Steering Committee.

Market Overview

About the Awarded Supplier

Fisher HealthCare, a Fisher Scientific Company, is a national distributor for the clinical laboratory. It offers clinical and diagnostic products to hospital, independent, government, health system and physician office laboratories. Fisher is a leading supplier of diagnostic tests, equipment, chemicals and scientific clinical products.

National Market Share

The national market represents \$ 2.28B

- Thermo Fisher - \$1.0 Billion
- Cardinal - \$1.1 Billion
- InfoLab - \$50 Million (estimate)
- Labsco - \$60 Million
- Bi-Medical - \$1.8 Million
- VWR International - \$71.2 Million

Broadlane Market Share

The Broadlane market represents \$109 Million

- Thermo Fisher - \$90.6 Million
- Cardinal - \$16.1 Million
- InfoLab - N/A (\$0)
- Labsco - \$2.4 Million
- Bi-Medical - N/A (\$0)
- VWR International- N/A (\$0)

Contact Information

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